



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0375	Title:	Revise highway speed limits and heavy truck and truck tractor speed limits
Primary Sponsor:	Sales, Scott	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$198,481	\$6,465	\$0	\$0
Federal Special Revenue	\$66,277	\$58,180	\$0	\$0
Revenue:				
General Fund	\$94,066	\$95,477	\$96,909	\$98,363
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$94,066</u>	<u>\$95,477</u>	<u>\$96,909</u>	<u>\$98,363</u>

Description of fiscal impact: SB 375 increases the maximum speed limit on federal-aid interstate highways from 75 MPH to 80 MPH and increases the penalties assessed for violation of speed limits. The bill states that the commission may temporarily set speed limits on these corridors until the engineering and traffic investigation is completed. Implementation of the bill will require the Montana Department of Transportation (MDT) to collect and analyze safety data or recalibrate existing safety data and update engineering plans for proper placement of curve warning signs only on the interstate highway system and replace existing speed zone signs. SB 375 increases the fine for speeding violations which will have an effect on state and county fine revenues.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation (MDT)

1. The following assumptions are made assuming all of the signs will be replaced.
2. MDT has approximately 500 interstate speed limit signs regulating passenger vehicles.
3. It is assumed the MDT will be able to make and install all 500 speed limit signs during FY 2016.
4. The average cost of purchasing the signs and labor and equipment to install the 500 passenger vehicle interstate speed limit signs is approximately \$382.23 per sign. The total cost for the 500 interstate speed limit signs will be approximately \$191,117.
5. MDT Maintenance assumes that the current posts used for the current signs will be reused for the new signs.
6. This is the maximum fiscal impact for the replacement of all existing speed limit signs required in SB 375. There may be other impacts based on engineering and traffic investigations and curve speed studies.
7. MDT's construction engineering staff will recollect and recalibrate safety data for the Butte and Missoula districts for highway curve warning sign placement and make changes to current curve sign locations for projects already designed and constructed.
8. Engineering staff working on the highway construction projects in the Great Falls, Glendive, and Billings districts can recalibrate highway project data and incorporate that data into construction engineering plans to ensure curve warning signs are placed in the proper location initially.
9. The construction program will incur \$21,937 for engineering personal services costs in FY 2016 and \$18,399 in FY 2017. Operating costs are \$20,504 for FY 2016 and \$15,046 in FY 2017 which includes leasing electronic curve data devices in FY 2016 at \$5,000 and the contracted services of a consultant to complete a speed study at the costs of \$31,200 in FY 2016 and FY 2017.
10. Highway design manuals will require updating to address the change in speed.
11. An engineering and traffic investigation will be needed for those interstate segments that MDT reasonably believes are not suitable for the higher speed limits

Department of Justice (DOJ)

12. Section 4 of the bill increases the fines for speeding violations.
13. The 3 year average amount of citations issued between 2012 and 2014 is 24,982.
14. The department assumes that only 30% of all citations issued will result in increased revenue to the general fund. Of the 30% revenue, 50% remains in the county where the citation was written and the remaining amount is received by the state general fund.
15. The fiscal note assumes that 15,752 citations will be issued for speeds between 80-85 MPH. The total additional general fund revenue is estimated at \$47,257. (15,752 citations *\$20 increased fine= \$315,047 *30 % collectible=\$95,514* 50% state share=\$47,257).
16. The fiscal note assumes that 8,245 citations will be issued for speeds between 86-95 MPH. The total additional general fund revenue is estimated at \$37,101 (8,245 citations *\$30 increased fine =\$247,340*30% collectible =74,202*50% state share =\$37,101).
17. The fiscal note assumes that 676 citations will be issued for speeds between 96-100 MPH. The total additional general fund revenue is estimated at \$5,073 (676 citations * \$50 increased fine =\$33,817*30% collectible =10,145*50% state share =\$5,073).
18. The fiscal note assumes that 309 citations will be issued for speeds over 100 MPH. The total additional general fund revenue is estimated at \$4,635 (309 citations * \$100 increased fine =\$30,900*30% collectible =9,270*50% state share=\$4,635).

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services (MDT)	\$101,392	\$18,399	\$0	\$0
Operating Expenses (MDT)	\$163,366	\$46,246	\$0	\$0
TOTAL Expenditures	\$264,758	\$64,645	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$198,481	\$6,465	\$0	\$0
Federal Special Revenue (03)	\$66,277	\$58,180	\$0	\$0
TOTAL Funding of Exp.	\$264,758	\$64,645	\$0	\$0
<u>Revenues:</u>				
General Fund (01) (DOJ)	\$94,066	\$95,477	\$96,909	\$98,363
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$94,066	\$95,477	\$96,909	\$98,363
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$94,066	\$95,477	\$96,909	\$98,363
State Special Revenue (02)	(\$198,481)	(\$6,465)	\$0	\$0
Federal Special Revenue (03)	(\$66,277)	(\$58,180)	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. The bill will require minimal investment by individual counties – replacing speed signs (materials & labor).
2. Counties will receive increased revenue as a result of the increased fines in the bill.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date